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Economic and environmental questions: transport of dangerous goods

Work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals

Report of the Secretary-General

Summary

In accordance with Economic and Social Council resolution 645 G (XXIII), the Secretary-General reports biennially to the Council on the work of the Committee of Experts on the Transport of Dangerous Goods.

In accordance with Economic and Social Council resolution 1999/65, the Committee has been reconfigured, as from 1 January 2001, into a Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals, functioning with two subsidiary bodies, the Subcommittee of Experts on the Transport of Dangerous Goods and the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals.

The present report concerns the work of the Committee of Experts on the Transport of Dangerous Goods during the biennium 1999-2000 (that is to say, before the reconfiguration became effective) and the implementation of Economic and Social Council resolutions 1999/62 and 1999/65.

The Committee adopted amendments to the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations* and the third revised edition of the *Recommendations on the Transport of Dangerous Goods:*

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Manual of Tests and Criteria, which have been published by the secretariat in accordance with Economic and Social Council resolution 1999/62. These amendments concern mainly packaging and tank provisions, listing and classification, new provisions for carriage in bulk in tanks and new provisions for construction, testing and approval of gas receptacles and multiple-element gas containers.

All main legal instruments or codes governing the international transport of dangerous goods by sea, air, road or rail have been amended accordingly, with effect as from 1 July 2001, and many Governments have also transposed the provisions of the *Model Regulations* into their own legislation for domestic traffic for application as from 2001.

The Committee continued to contribute to the development of a globally harmonized system of classification and labelling of chemicals in cooperation with other organizations, in particular the International Labour Organization and the Organisation for Economic Cooperation and Development, in the context of the follow-up to Agenda 21, chapter 19, Programme area B.

The Committee adopted a programme of work for the biennium 2001-2002, and sessions for the Subcommittee of Experts on the Transport of Dangerous Goods and the new Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals, and for the reconfigured Committee have been planned in accordance with Economic and Social Council resolution 1999/65.

The Committee is recommending a draft resolution on its work for adoption by the Economic and Social Council.

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I. Draft resolution for adoption by the Council

1. The Committee of Experts on the Transport of Dangerous Goods recommends to the Economic and Social Council the adoption of the following draft resolution:

Work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals

The Economic and Social Council,

Recalling its resolution 1999/62 of 30 July 1999,

Recalling also its resolution 1995/6 of 19 July 1995, and in particular resolution 1999/65 of 26 October 1999 whereby it decided to reconfigure, as from 2001, the Committee of Experts on the Transport of Dangerous Goods into a Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals with two subcommittees,

Bearing in mind the increasing volume of dangerous goods in worldwide commerce and the rapid expansion of technology and innovation,

Bearing also in mind the continuing need to meet the growing concern for the protection of life, property and the environment through the safe transport of dangerous goods while facilitating trade,

Aware that, in order to achieve internationally harmonized laws, the Economic Commission for Europe, the International Maritime Organization, the International Civil Aviation Organization and other specialized agencies and international organizations involved in activities related to the transport of dangerous goods have responded positively to the Economic and Social Council's various resolutions adopted since 15 April 1953, and that, being committed to taking the recommendations of the Committee of Experts on the Transport of Dangerous Goods as a basis for the formulation of their legal or technical instruments applicable to international transport by road, rail, inland waterway, air or sea, those organizations therefore rely on the work of the Committee,

Aware also that many Member States have responded positively to the same resolutions and are also committed to taking the recommendations of the Committee of Experts on the Transport of Dangerous Goods as a basis for the formulation of their national regulations, in harmony with the international framework,

Noting with satisfaction that the Economic and Social Commission for Asia and the Pacific had published *Guidelines for the Establishment of National and Regional Systems for Inland Transportation of Dangerous Goods*,[1] which led several developing countries of the region to develop national regulations based on the *United Nations Recommendations on the Transport of Dangerous Goods* and to envisage developing regional systems consistent with the Model Regulations annexed to these *Recommendations*,

[1] United Nations publication, Sales No. E.98.II.F.49.

A

Work of the Committee of Experts on the Transport of Dangerous Goods during the biennium 1999-2000

1. *Takes note* of the report of the Secretary-General on the work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals during the biennium 1999-2000, in particular regarding the adoption of new and amended provisions[2] for inclusion in the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*[3] and in the third revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria*;[4]

2. *Commends* the Secretary-General for the publication of the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*, in Chinese,[5] English,[3] French,[6] Russian[7] and Spanish[8] and for the publication of the third revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria* in Chinese,[9] English[4] and Russian;[10]

3. *Urges* the Secretary-General to publish the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations* in Arabic, as well as the third revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria* in Arabic, French and Spanish without delay;

4. *Requests* the Secretary-General:

(a) To circulate the new and amended recommendations to the Governments of member States, the specialized agencies, the International Atomic Energy Agency and other international organizations concerned;

(b) To publish a twelfth revised version[11] of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*, and amendments to the third revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria*[12] in all the official languages of the United Nations, in the most cost-effective manner, not later than the end of 2001;

(c) To give further consideration to the possibility of publishing the *Recommendations on the Transport of Dangerous Goods* on CD-ROM if possible as a navigable version, for example, by commercial arrangement with external contractors;

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[2] ST/SG/AC.10/27/Add.1 and 2.
[3] United Nations publication, Sales No. E.99.VIII.1 and corrigendum.
[4] United Nations publication, Sales No. E.99.VIII.2.
[5] United Nations publication, Sales No. C.99.VIII.1.
[6] United Nations publication, Sales No. F.99.VIII.1.
[7] United Nations publication, Sales No. R.99.VIII.1.
[8] United Nations publication, Sales No. S.99.VIII.1.
[9] United Nations publication, Sales No. C.99.VIII.2.
[10] United Nations publication, Sales No. R.99.VIII.2.
[11] ST/SG/AC.10/1/Rev.12.
[12] ST/SG/AC.10/11/Rev.3, amendment 1.

5. *Invites* all Governments, the specialized agencies, the International Atomic Energy Agency and the other international organizations concerned to transmit to the secretariat of the Committee[13] their views on the Committee's work, together with any comments that they may wish to make on the amended recommendations;

6. *Invites* all interested Governments, regional commissions and specialized agencies and the international organizations concerned, when developing or updating appropriate codes and regulations, to take full account of the recommendations of the Committee;

7. *Encourages* the regional commissions that have not yet done so to promote the development of national and regional systems of regulations for the inland transport of dangerous goods on the basis of the United Nations *Recommendations on the Transport of Dangerous Goods: Model Regulations* and related instruments;

B

Programme of work for the biennium 2001-2002

8. *Approves* the programme of work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals and of its subcommittees, for the biennium 2001-2002, as follows:

(a) Subcommittee of Experts on the Transport of Dangerous Goods:

(i) Additional provisions for the transport of gases;

(ii) Provisions for the transport of solid substances in bulk in containers;

(iii) Revision of Division 6.2 provisions;

(iv) Criteria for the corrosiveness of liquids and solids belonging to Class 8, packing group III, for steel and aluminium;

(v) Classification criteria for fireworks;

(vi) Classification of ammonium nitrate emulsions, suspensions and gels;

(vii) Cooperation with the International Atomic Energy Agency in respect of amendments to Class 7 provisions and harmonization of terminology;

(viii) Follow-up to Agenda 21,[14] chapter 19, programme area B (Harmonization of classification and labelling of chemicals), including:

a. Criteria for flammable aerosols;

b. Classification provisions for substances that, in contact with water, emit toxic or corrosive gases;

c. Classification provisions for substances hazardous to the aquatic environment in cooperation with the International Labour Organization, the

[13] Transport Division of the Economic Commission for Europe.

[14] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

Organisation for Economic Cooperation and Development and the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals, as relevant;

(ix) Correct assignment of United Nations numbers, proper shipping names and packing instruction numbers with respect to physical state;

(x) Development of a new harmonized United Nations pressure vessel test;

(xi) Substances prohibited for transport;

(xii) Performance testing for packagings;

(xiii) Equivalence wall thickness formula for tanks;

(xiv) Miscellaneous proposals of amendments to the Model Regulations;

(b) Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals:

(i) Preparation of a document describing the globally harmonized system of classification and labelling of chemicals and of recommendations related to its implementation;

(ii) Development of cooperation arrangements with international organizations involved in the development of the globally harmonized system and of working arrangements with the Subcommittee of Experts on the Transport of Dangerous Goods;

C

Report to the Council

9. *Requests* the Secretary-General to submit a report to the Economic and Social Council in 2003 on the implementation of the present resolution.

II. Work of the Committee of Experts on the Transport of Dangerous Goods during the biennium 1999-2000 and implementation of Economic and Social Council resolution 1999/62 of 30 July 1999

A. Meetings held

2. The following meetings were held during the biennium 1999-2000:

(a) Subcommittee of Experts on the Transport of Dangerous Goods: sixteenth session, 5-14 July 1999 (ST/SG/AC.10/C.3/32 and Add.1 and 2); seventeenth session, 6-15 December 1999 (ST/SG/AC.10/C.3/34 and Add.1 and 2); and eighteenth session, 3-12 July 2000 (ST/SG/AC.10/C.3/36 and Add.1);

(b) Committee of Experts on the Transport of Dangerous Goods, twenty-first session, 4-13 December 2000 (ST/SG/AC.10/27 and Add.1 and 2).

3. The following 22 countries participated in the work of the Committee and of its Subcommittee as full members: Argentina; Australia; Belgium; Brazil; Canada; China; Czech Republic; France; Germany; Italy; Japan; Mexico; Morocco;

Netherlands; Norway; Poland; Russian Federation; South Africa; Spain; Sweden; United Kingdom of Great Britain and Northern Ireland; and United States of America. The Governments of Austria, Bahamas, Bulgaria, Finland, Iran (Islamic Republic of), Nigeria, Portugal, Slovakia, Switzerland and Tunisia were represented by observers. The Commission of the European Community, 7 specialized agencies, regional commissions and intergovernmental organizations and 31 non-governmental organizations also participated.

4. Liaison was maintained with the international bodies or organizations responsible for individual modes of transport, in particular the Economic Commission for Europe (ECE) and the Economic and Social Commission for Asia and the Pacific (ESCAP) (for inland transport in the ECE and ESCAP regions respectively), the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO) and the Intergovernmental Organisation for International Carriage by Rail (OTIF).

5. The Committee paid special attention to the coordination of its own activities with those of other international organizations whose activities impinge on the field of transport of dangerous goods, such as the International Atomic Energy Agency (IAEA), the International Labour Organization (ILO), the World Health Organization (WHO) and the United Nations Environment Programme (UNEP), to ensure that their work would complement, rather than duplicate or clash with, existing agreements and instruments on the safe transport of dangerous goods.

6. The secretariat services were provided by the ECE secretariat.

B. Work of the Subcommittee of Experts on the Transport of Dangerous Goods

7. During the biennium 1999-2000, the Subcommittee discussed various questions related to its terms of reference in accordance with the programme of work described in Economic and Social Council resolution 1999/62, paragraph 6.

8. On the basis of this work, the Committee adopted amendments (ST/SG/AC.10/27/Add.1) to the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*,[3] consisting mainly of:

(a) New provisions concerning the design, construction, inspection, testing and approval of receptacles intended for the transport of compressed, liquefied or dissolved gases and of multiple-element gas containers (MEGCs) for non-refrigerated gases, as well as provisions concerning their use for transport;

(b) Revised documentation requirements for the transport of dangerous goods;

(c) New provisions for the transport of solid substances in bulk in tanks;

(d) Amendments to the list of most commonly carried dangerous goods and related provisions;

(e) Amendments to packagings and tank provisions;

(f) Other miscellaneous amendments to the various chapters of the Model Regulations.

9. The Committee adopted also amendments to the third revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria* (ST/SG/AC.10/27/Add.2),[4] concerning classification criteria for lithium batteries and related test methods .

C. Follow-up to the United Nations Conference on Environment and Development

10. In accordance with General Assembly resolutions 47/190 and 47/191 and Economic and Social Council resolution 1997/3, the Committee continued to give effective follow-up to Agenda 21, in particular to chapter 19, on environmentally sound management of toxic chemicals, and liaison was maintained with the other main organizations concerned with chemical safety, in particular those participating in the Inter-Organization Programme for the Sound Management of Chemicals (IOMC), namely, UNEP, ILO, the Food and Agriculture Organization of the United Nations (FAO), WHO, the United Nations Industrial Development Organization (UNIDO) and the Organisation for Economic Cooperation and Development (OECD).

11. The main area of cooperation remained the development of a globally harmonized system of classification and labelling of chemicals (GHS), bearing in mind that the objective of programme area B of chapter 19 of Agenda 21 was that such a system, including material safety data sheets and easily understandable symbols, should be available, if feasible, by the year 2000.[15]

12. Since 1992, the work has been carried out, under the supervision of an IOMC Coordinating Group, by three focal points: a working group jointly formed by the Committee and ILO for physical hazards (flammability, reactivity, explosivity etc.); OECD for health hazards (for example, toxicity, corrosivity and environmental hazards); and ILO for hazard communication.

13. The Committee/ILO Working Group had completed the task for most physical hazards (flammable liquids; flammable gases; flammable solids; explosives; desensitized explosives; organic peroxides; self-reactive substances; oxidizing substances; pyrophoric substances; substances reacting with water, giving off flammable gases) except the flammability of aerosol by the end of the biennium 1997-1998. This issue was discussed again in the biennium 1999-2000, but although some progress was made, no consensus has yet been reached and this matter will again be in the agenda of the Subcommittee of Experts on the Transport of Dangerous Goods at its July 2001 session.

14. Since all focal points are expected to finalize their contribution to the development of the GHS in 2001, all further work related to the implementation, monitoring and updating of the GHS should be carried out by the new Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals (see also Economic and Social Council resolution 1999/65 and sect. III below) in cooperation with the organizations concerned.

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[15] See *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II, para. 19.27.

D. Publication of the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations* and of the third revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria*

15. As requested by the Economic and Social Council in resolution 1999/62, the Secretary-General prepared the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*[3] on the basis of the recommendations adopted by the Committee at its twentieth session (ST/SG/AC.10/25 and Add.1 and 3). The edition was published for official circulation and sale in Chinese (90 copies), English (7,035 copies), French (1,065 copies), Russian (200 copies) and Spanish (445 copies). The Arabic version is still under preparation.

16. The secretariat also published the third revised edition of the *Manual of Tests and Criteria*,[5] in English (4,485 copies), Russian (190 copies) and Chinese (90 copies). The Arabic, French and Spanish versions are still under preparation.

17. In resolution 1999/62, the Economic and Social Council also requested the Secretary-General to envisage means of publishing the *Recommendations on the Transport of Dangerous Goods* on CD-ROM, if possible as a navigable version, for example, by commercial arrangement with external contractors. Owing to the cost of development of a navigable version, no arrangements could be made so far, but both publications (*Model Regulations* and *Manual of Tests and Criteria*) can be made available on electronic support to interested government administrations. The Committee recommended that the Secretary-General should be invited to give further consideration to this matter.

18. The Committee requested the secretariat to prepare the twelfth revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations* on the basis of its work in the biennium 1999-2000 and the texts adopted at its twenty-first session, and an amendment to the *Manual of Tests and Criteria* concerning lithium batteries, and to publish them in the most effective manner, without delay, in all the official languages of the United Nations, not later than the end of 2001.

E. Implementation of the *Recommendations on the Transport of Dangerous Goods*

19. In resolution 1999/62, the Economic and Social Council invited all interested Governments, regional commissions and specialized agencies and the international organizations concerned, when developing or updating appropriate codes and regulations, to take full account of the recommendations of the Committee.

20. The provisions of the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*, have been incorporated in the following international instruments:

(a) IMO: International Maritime Dangerous Goods Code (IMDG Code) (Amendment 30-01, applicable as from 1 January 2001 with a one-year transitional period);

(b) ICAO: 2001 edition of the Technical Instructions for the Safe Transport of Dangerous Goods by Air (applicable as from 1 July 2001) (within the framework of the Convention on International Civil Aviation) (187 Contracting Parties);

(c) International Air Transport Association (IATA): 2001 (forty-second) edition of the Dangerous Goods Regulations (applicable as from 1 July 2001);

(d) ECE: Amendments to the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) (applicable as from 1 July 2001 with an 18-month transitional period) (36 Contracting Parties);

(e) Amendments to the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN), which are also under preparation for application as of 1 January 2003;

(f) OTIF: Amendments to the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID) (within the framework of the Convention concerning International Carriage by Rail) (applicable as from 1 July 2001) (40 Contracting Parties).

21. The structures of the IMDG Code, ADR and RID have also been brought in line with that of the *Model Regulations*.

22. In the European Union, Commission directives 2001/6/EC and 2001/7/EC of 29 January 2001 requested Member States to implement the provisions of ADR and RID (see above) not only for international transport but also for domestic traffic by 31 December 2001 for radioactive material and by 31 December 2002 at the latest for other dangerous goods.

23. The Southern Cone Common Market (MERCOSUR) countries (Argentina, Brazil, Bolivia and Paraguay) have concluded an agreement for the facilitation of the inland transport of dangerous goods (Acuerdo sobre Transporte de Mercancias Peligrosas en el MERCOSUR, 1994). The annexes to this agreement are based on the seventh revised edition[16] of the *Recommendations on the Transport of Dangerous Goods*, RID and ADR. Updating of these annexes is under consideration.

24. The secretariat does not collect on a systematic basis detailed information on the status of implementation of the *Recommendations on the Transport of Dangerous Goods* with respect to domestic transport of dangerous goods in all countries, and the situation may vary considerably depending on the national procedures for enacting law or updating regulations. For example, the regulations applicable in the United States of America (CFR 49) are normally updated on a yearly basis and a comprehensive regulation change will implement the provisions of the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods*, with very few exceptions, before July 2001. The Canadian regulations are also being updated on the basis of the eleventh revised edition. The *Australian Code for the Transport of Dangerous Goods by Road and Rail* (1998 version) is based on the ninth revised edition[17] of the *Recommendations*, but the next version to be published in 2003 will be based on the forthcoming 12th revised edition of the *Recommendations*. It is expected that the use of the "reformatted" structure of the *Model Regulations* will facilitate, in future, the process of harmonization of national regulations with the *Recommendations on the Transport*

[16] United Nations publication, Sales No. E.91.VIII.2.
[17] United Nations publication, Sales No. E.95.VIII.1.

of Dangerous Goods: Model Regulations, and the related international transport regulatory instruments.

25. The Economic and Social Commission for Asia and the Pacific (ESCAP) published, in 1997, *Guidelines for the Establishment of National and Regional Systems for Inland Transportation of Dangerous Goods*,[1] recommending the implementation of the *Recommendations on the Transport of Dangerous Goods*. Subsequently, ESCAP organized, in 2000, national and subregional (India, Bangladesh, Nepal, Pakistan, Sri Lanka) seminars on the transport of dangerous goods in New Delhi, with support from the ECE secretariat. The ECE secretariat has also provided, at their request, assistance to the Governments of Thailand (1999) and Malaysia (2000) for the development of national regulations on the transport of dangerous goods based on the eleventh revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*.

26. ECE, through its Transport Division and its regional advisers, provided advice and assistance to several countries in transition of the ECE region for the development and updating of regulations on the transport of dangerous goods, at their request, and within the limits of available resources.

III. Implementation of Economic and Social Council resolution 1999/65 of 26 October 1999

27. By resolution 1999/65 of 26 October 1999, the Economic and Social Council decided to reconfigure the Committee of Experts on the Transport of Dangerous Goods into a Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals, with two Subcommittees, namely, the Subcommittee of Experts on the Transport of Dangerous Goods (TDG Subcommittee) and the new Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals (GHS Subcommittee), to be serviced by the secretariat of ECE.

28. In the same resolution the Economic and Social Council invited Member States interested in participating in the GHS Subcommittee to apply for membership at the latest by the end of 2000 so that the composition of the GHS Subcommittee and of the reconfigured Committee might be decided at the organizational session for 2001 of the Council. The list of Member States that applied for full membership (see E/2001/L.2/Add.1 and Add.1/Corr.1) has been prepared by the secretariat and submitted to the Council for consideration at its organizational and resumed organizational sessions for 2001.

29. Also in resolution 1999/65, the Economic and Social Council requested the Secretary-General to provide, not later than 1 January 2001, adequate resources, as described in the statement submitted by the Secretary-General (E/1999/L.48) in accordance with rule 31 of the rules of procedure of the Economic and Social Council on the programme budget implications of draft resolution II contained in the report of the Secretary-General on the work of the Committee of Experts on the Transport of Dangerous Goods (E/1999/43), to the Transport Division of ECE for these new activities. For the year 2001, some additional resources at the P-4 and General Service (G) levels have been provided as general temporary assistance pursuant to the adoption by the General Assembly in its resolution 54/249 of, inter

alia, the resulting revised estimates for section 18. Economic development in Europe, of the proposed programme budget for the biennium 2000-2001 (see A/54/443/Add.1). A new P-4 post has been included in the Secretary-General's proposed programme budget for the biennium 2002-2003 under section 18. Economic development in Europe, for these activities (see A/56/6 (Sect. 18), para. 18.12 (b) (i)), as well as several months of general temporary assistance for General Service support. A review of the adequacy of this support will be made in 2002 after the first cycle of the new programme of work.

30. The Economic and Social Council requested the Secretary-General to plan sessions of the Subcommittees and the reconfigured Committee for 2001 and 2002, as appropriate, in accordance with the arrangements outlined in the annex to resolution 1999/65. Sessions have been planned as follows:

2-6 July 2001: TDG Subcommittee (nineteenth session)

9-11 (morning) July 2001: GHS Subcommittee (first session)

3-12 (morning) December 2001: TDG Subcommittee (twentieth session)

12 (afternoon)-14 December 2001: GHS Subcommittee (second session)

1-10 (morning) July 2002: TDG Subcommittee (twenty-first session)

10 (afternoon)-12 July 2002: GHS Subcommittee (third session)

2-6 December 2002: TDG Subcommittee (twenty-second session)

9-11 (morning) December 2002: GHS Subcommittee (fourth session)

11 (afternoon)-13 December 2002: Reconfigured Committee (first session)

IV. Programme of work for the biennium 2001-2002

31. The Committee agreed that the programme of work for the biennium 2001-2002 should be as follows:

(a) Subcommittee of Experts on the Transport of Dangerous Goods:

(i) Additional provisions for the transport of gases;

(ii) Provisions for the transport of solid substances in bulk in containers;

(iii) Revision of Division 6.2 provisions;

(iv) Criteria for the corrosiveness of liquids and solids belonging to Class 8, packing group III, for steel and aluminium;

(v) Classification criteria for fireworks;

(vi) Classification of ammonium nitrate emulsions, suspensions and gels;

(vii) Cooperation with IAEA for amendments to Class 7 provisions and harmonization of terminology;

(viii) Follow-up to Agenda 21, chapter 19, programme area B (Harmonization of classification and labelling of chemicals), including:

a. Criteria for flammable aerosols;

b. Classification provisions for substances that, in contact with water, emit toxic or corrosive gases;

c. Classification provisions for substances hazardous to the aquatic environment, in cooperation with ILO, OECD and the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals, as relevant;

(ix) Correct assignment of United Nations numbers, proper shipping names and packing instruction numbers with respect to physical state;

(x) Development of a new harmonized United Nations pressure vessel test;

(xi) Substances prohibited for transport;

(xii) Performance testing for packagings;

(xiii) Equivalence wall thickness formula for tanks;

(xiv) Miscellaneous proposals of amendments to the Model Regulations;

(b) Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals:

(i) Preparation of a document describing the globally harmonized system of classification and labelling of chemicals and of recommendations related to its implementation;

(ii) Development of cooperation arrangements with international organizations involved in the development of the globally harmonized system and of working arrangements with the Subcommittee of Experts on the Transport of Dangerous Goods.

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Special high-level meeting with the Bretton Woods institutions
1 May 2001

Selected aspects of international cooperation in strengthening financing for development

Note by the Secretary-General

Introduction

1. The special high-level meeting between the Economic and Social Council and the Bretton Woods institutions has provided a useful forum for intergovernmental and inter-institutional dialogue over the past few years. The present note provides some background material and raises some questions for consideration at the 2001 special high-level meeting.

2. The dialogue to take place at the 2001 meeting is especially opportune because the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development will reconvene the following day. The International Monetary Fund (IMF) and the World Bank have already been actively engaged in the preparatory process for the Event and the discussions at the Economic and Social Council high-level meeting, involving senior officials from ministries of finance, economic and foreign affairs, can help the Preparatory Committee as it seeks to further focus its substantive preparatory discussions.

3. The General Assembly recommended that, at their high-level meeting, the Economic and Social Council and the Bretton Woods institutions consider the modalities needed to consolidate further a broader global agenda for a strengthened and stable international financial system that was responsive to the priorities of growth and development, in particular of developing countries, and to the promotion of economic and social equity in the global economy (Assembly resolution 55/186, para. 24). The two foci of the meeting seek to respond to that request.

I. Poverty eradication, official development assistance and debt

4. The United Nations Millennium Declaration was adopted by the General Assembly on 8 September 2000 (see resolution 55/2) at the Millennium Summit of the United Nations, which was attended by 147 heads of State and Government and 187 Member States. In the Millennium Declaration, heads of State and Government pledged, inter alia, to achieve a set of development goals by 2015, including to halve the proportion of the world's people whose income is less than one dollar a day (para. 19). For this goal to be achieved, developing economies, particularly the poorest and least developed among them, will need to grow at a significantly higher rate than in the past and to spread the benefits of growth much more widely among their people. To this end, Governments committed themselves to creating an enabling environment at both the national and global levels to attain these goals. Appropriate economic, social and financial policies and institutions at the national and international levels are essential in this respect.

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Reaching the goals also requires that all countries have adequate human and financial resources. The quality of human resources depends on national capacities to provide health, education and other basic services. This is itself, in part, a matter of adequate financial resources. Thus, while there is much more to successful development than finance, adequate supplies of financial resources are essential if all countries are to reach the United Nations Millennium Declaration development goals.

5. Domestic resources finance most of the development and anti-poverty expenditures of developing countries, but they generally need to be supplemented by external public and private financing. For lower-income developing countries, in particular the least developed among them, official development assistance (ODA) is the major source of external funding, notably for basic education and health expenditures, financing of a social safety net and infrastructure investment. Achieving the millennium goals will require a substantially increased ODA effort, especially after the decline in ODA flows in the 1990s, notably from the largest donors. Only Denmark, the Netherlands, Norway and Sweden have met the ODA target of net disbursements of 0.7 per cent of the gross national product (GNP) of the donor country. For developed countries as a group, the ratio in 1999, the last year for which data are available, was only 0.24 per cent.

6. For the heavily indebted poor countries (HIPC) and a number of other countries with difficult debt situations, external debt is primarily owed by the Government and its servicing is frequently a major drain on the government budget, as well as on the balance of payments. This diverts scarce resources from public expenditure on social needs and infrastructure and thus hinders efforts to attain development and reduce poverty.

7. Further progress in the implementation of the enhanced HIPC initiative is therefore critical to meeting the millennium goals. In some cases, even deeper relief than that under the HIPC initiative is warranted, as acknowledged by the decision by the Group of Seven (G-7) countries to go beyond the HIPC targets and to cancel all bilateral ODA and eligible commercial credits of countries qualifying for the HIPC initiative.[1]

8. Other heavily indebted countries have also expressed concerns about the social burden of their debt situation, suggesting that further efforts may be required to ensure that the external debt burden does not impede attainment of the millennium goals in such countries. The need, more broadly, is for a significant increase in the net transfer of financial resources to many developing countries to support development and poverty eradication. This also requires that official debt reduction not be at the expense of ODA flows.

9. However, legislatures and the public in donor countries have raised questions about the effectiveness of ODA programmes and multilateral development cooperation. Part of the answer is now thought to lie in broadening participation of all relevant stakeholders in the design of development so as to improve policies and raise the degree of "ownership" of programmes and projects. At the same time, there continues to be a pressing need for greater administrative efficiency and coordination on the part of donors and stronger partnerships with recipient countries. These concerns have motivated such innovations as the Poverty Reduction Strategy Papers and Comprehensive Development Frameworks, under the leadership of the Bretton Woods institutions, and the United Nations Development Assistance Frameworks and Common Country Assessments for the operational activities of the United Nations agencies, funds and programmes.

10. Many developing countries have sought international assistance in strengthening their capacity to formulate and implement policy reforms in a more participatory and transparent manner. The United Nations Development Programme (UNDP), the World Bank, IMF and bilateral donors have been working with recipient countries to assist them in formulating development strategies in this context.

Questions

11. The meeting may wish to consider the following questions:

(a) These multilateral efforts to help developing countries enhance coherence, transparency and participation in their policy formulation are expected to result in programmes that guide the partnerships of donors with aid recipients. How do Governments assess the experience with the new mechanisms? How have policies in developing countries changed as a

result? How have donor Governments and institutions responded to the new approaches? What further measures or actions are required?

(b) Restructuring external debt obligations, both for low- and for middle-income countries, requires action by a number of independent bodies or groups concerned with different types of loans, typically including the Paris Club for the bulk of bilateral official credits and "advisory committees" (or London Clubs) for most of the debt owed to commercial banks. In addition, bonds of middle-income countries and debts of low-income countries to multilateral institutions sometimes have to be restructured. There are three concerns about this process. First, it can take several years and it imposes a heavy burden on all concerned, particularly debtor-country officials. Second, the overall amount of relief accorded to a country in difficulty might not be adequate for the country to reach its development goals. Third, the sharing of the cost of debt relief among creditors might not be appropriate. How might these concerns be addressed? How might the process of debt restructuring be improved? Are there adequate means for all relevant stakeholders to build consensus around burden-sharing principles?

(c) As the millennium goals will be achieved only with additional efforts on the part of both ODA donor and recipient countries, the Secretary-General has proposed that an international "campaign for the millennium development goals" be established.[2] It would track countries' progress towards the goals, assess the cost implications at each stage, and identify resource requirements. As the goals have a 15-year horizon and resource needs over such a period cannot be reliably estimated, a 5-year lifespan has been proposed for the campaign. What would be required for donor and recipient Governments to fully embrace such a campaign? Would Governments accept that such a campaign would perforce spotlight both differences in performance and the additional efforts needed to rise to the challenge of meeting the millennium goals?

II. Public and private responsibility in the prevention of financial crises

12. The prevention of financial crises requires policy reforms at the national and also at the global level. Over the past several years, significant steps have been taken to address this issue, but more needs to be done. This includes further strengthening national policies, as well as enhancing cooperation among Governments, particularly in multilateral contexts. At the same time, private sector actors have to do their part.

13. The responsibility for achieving a more stable and development-friendly international financial system lies, first and foremost, with individual countries. Developing countries and countries with economies in transition are making considerable efforts to pursue sound macroeconomic policies, strengthen their financial sectors and carry out other structural reforms. These efforts should be further encouraged. At the same time, views sometimes differ on what constitutes "sound policies", especially in such areas as management of the capital account and choice of exchange-rate regime. Moreover, in addition to being technically sound, policies have to be politically sustainable within the country concerned.

14. Developed countries have a major responsibility for bolstering international financial stability, and domestic, as well as international, imperatives require them to continue to strengthen their oversight of the financial sector. Global objectives should also permeate other policy areas, particularly international trade, where increasing access by developing and transition economies to the protected sectors of developed-country markets will benefit both importing and exporting countries. The recent announcement by the European Union of a specific timetable for opening its market to duty-free access to exports of "all but arms" from the least developed countries is a valuable step in this direction. This is still, however, only a partial implementation by these countries, as well as by developed countries in general, of the case they make to the world about the benefits to countries that liberalize their trade.

15. As world economic integration increases, areas of national policy that once were purely domestic concerns have attracted international attention, particularly in the financial realm. One focus of attention has been in the preparation of international standards and codes for the financial sector, including defining the expectations for cooperation of "offshore" financial centres with foreign authorities. In a number of areas, the principles are decided in limited membership bodies; in some instances, enforcement is also undertaken by such bodies. In other areas, enforcement is voluntary, but internationally

encouraged — for example, it is expected of countries seeking access to such facilities as the Contingent Credit Line at IMF.

16. At the previous Economic and Social Council special high-level meeting with the Bretton Woods institutions, a number of participants stressed that it was important to take into account the concerns of all countries, large and small, including developing countries, in formulating international rules and standards. Codes and standards of prudential conduct — essential for financial stability — needed to be prepared in a more democratic way, according to participants, to ensure that they were adapted to different countries' situation and that countries considered them to be legitimate.[3]

17. As the private sector accounts for the overwhelming share of international financial flows, there is a consensus among Governments that it should play a more direct role in the prevention as well as the resolution of financial crises. More generally, private sector confidence is a major determinant of private flows. On their part, private investors and creditors seek greater access to information and dialogue with government policy makers. International attention is thus drawn to considering modalities for more regular public-private discussion and information-sharing in order to foster and stabilize private sector financial flows.

18. In addition, civil society organizations have been making their concerns felt about international financial relations. While it is for member Governments to make decisions in official multilateral forums, civil society concerns and proposals can be valuable inputs. Account is increasingly being taken of these inputs. It has also become clear that acceptance by the public at large — often described as broad "ownership" of policy — is of great importance for the success of international actions.

19. Moreover, it is increasingly recognized today that finance cannot be treated independently of the other major categories of international economic interaction. The Co-Chairmen of the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development observed in their summation of the Preparatory Committee's second session that there was a convergence of views that "emphasis should be placed on enhancing cooperation and coherence among different international bodies dealing with financial, trade and developmental issues. Some arrangements for improving such coordination already exist. Nevertheless, much more is needed to further extend and strengthen coherence and consistency among international financial institutions, the World Trade Organization and the United Nations."[4]

Questions

20. The meeting may wish to consider the following questions:

(a) What further steps are needed to improve the policy dialogues and enhance transparency in international financial matters? How might global collaboration be strengthened in identifying emerging issues, nascent crises, global policy gaps and the means to address them? How might more effective confidence-building dialogues be fostered at the national level, for example, to shorten the lag between the implementation of policy reforms and improved perceptions by international investors and lenders?

(b) Are the present arrangements for participation by all stakeholders in the formulation of financial standards and codes adequate? How should the need for flexibility in international standards and codes be addressed? Should flexibility be limited to the timing of their implementation? How might such questions be addressed most fruitfully and kept under review by the international community?

(c) Some countries are increasing their economic and financial cooperation at the regional and subregional levels, inter alia, in macroeconomic consultation and coordination, monitoring financial vulnerabilities and administering schemes for mutual assistance. Regional groups might also play a role in representing the interests of member countries in broader institutions and forums. By this means, institutions with limited membership but global responsibilities might develop structures and processes that are more broadly inclusive, without themselves becoming unwieldy and ineffective. What role should regional and subregional cooperation play in the global financial architecture? How should it relate to institutions of global governance?

Notes

[1] Statement of G-7 Finance Ministers and Central Bank Governors, Palermo, Italy, 17 February 2001.

[2] See the report of the Secretary-General to the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development (A/AC.257/12), paras. 90-91.

[3] See note by the Secretary-General (E/2000/79) on the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, held on 18 April 2000, annex, para. 47.

[4] Jørgen Bøjer (Denmark) and Asda Jayanama (Thailand), "Joint Statement of the Co-Chairmen at the conclusion of the second substantive session of the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development", 23 February 2001, p. 13 (see www.un.org/esa/ffd). See also *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 28 A* (A/55/28/Add.1), annex I, para. 22.